

**ABSTRACT**

**CREDIT HANDLING IN AN ANONYMOUS TRADING SYSTEM**

In an anonymous trading system, credit between  
counterparties is effectively increased by netting buy and  
5 sell trades to reflect the true risk to which each party  
is exposed. Credit limits are adjusted by calculating the  
exposure in each currency at the relevant time and then  
converted into the credit limit currency equivalent. The  
credit limits are adjusted accordingly. The resulting  
10 credit limits may be different for bids and offers by or  
from a given counterparty.